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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 22, 2000

COMMONWEALTH OF VIRGINIA, ex rel.

STATE CORPORATION COMMISSION

V.

UNITED ENERGY INC. d/b/a UNITED ENERGY OF VIRGINIA, INC. CASE NO. PUE000737

ORDER

By Commission Order dated November 9, 2000, United Energy, Inc. d/b/a United Energy of Virginia, Inc. ("United" or "the Company") was granted license No. PG-10 to provide competitive natural gas supply service to all classes of eligible customers in conjunction with the retail access pilot programs of Washington Gas Light Company ("WGL") and Columbia Gas of Virginia, Inc. ("CGV").

On December 14, 2000, the Staff of the State Corporation Commission filed a Motion petitioning the State Corporation Commission: (1) to enjoin United from terminating as of January 1, 2001, competitive energy service to its customers participating in the natural gas retail access program of CGV, in violation of 20 VAC 5-311-20 A 12 of the Commission's Interim Rules Governing Electric and Natural Gas Retail Access Pilot Programs, 20 VAC 5-311-10 et seq. ("Interim Rules"); (2) to

require the Company to continue to provide competitive energy service until January 12, 2001, as would be required pursuant to the contract termination notice to customers provisions found in the Interim Rules; and (3) after such date, to revoke the competitive energy service provider license held in the Commonwealth of Virginia by the Company.

On December 14, 2000, the Commission issued an Order Setting Hearing in which the Commission, in light of time constraints in the matter, determined that a prompt hearing was necessary and established a hearing for 10:00 a.m. on December 19, 2000. At the request of United, the hearing was continued to December 20, 2000.

On December 20, 2000, United filed an answer to Staff's motion which included a request for a waiver of the Commission's Interim Rule requiring 30 days notice of termination be provided to customers and to local distribution companies. The Hearing was held on December 20, 2000, before Commissioners Moore and Miller. At the hearing we received evidence from four witnesses.

NOW THE COMMISSION, upon consideration of Staff's

December 14, 2000 Motion, the Company's answer to the Motion,

evidence received at the December 20, 2000 hearing, and the

arguments of counsel for Staff and United, is of the opinion and

finds that the Company's request for a waiver and Staff's motion

for an injunction should both be denied. We are of the further opinion and find that the Company's license to provide competitive natural gas service should be revoked as of January 1, 2001.

Accordingly, IT IS ORDERED THAT:

- 1) The Company's request for a waiver of the Commission's Interim Rules 20 VAC 5-311-20 A 12 and 20 VAC 5-311-2 B 7 is denied.
- 2) Staff's motion to enjoin United from discontinuing service on January 1, 2001, and to require United to continue to provide service until January 12, 2001, is denied.
- 3) United's license to provide competitive natural gas service, License No. PG-10, is hereby revoked effective January 1, 2001.
- 4) There appearing nothing further to be done in this matter, it is hereby dismissed.